10/14/86 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 64 - No. 9 SEPTEMBER 1986

Paper and Paperboard Production: Running Strong

Paper and paperboard production is maintaining the record-high pace it established earlier this year. The trend position in August (the average of the July and August seasonally adjusted annual rates) exceeded the 70 million tons per year mark, as it has since May. The total unadjusted production levels dropped in July due to holiday shutdowns, but have since returned to the record range of 6 million tons a month reached at the beginning of the year. For the January-August period, production was more than 5% over its year ago level but more significantly, the performance so far this year also compares favorably with the record year of 1984, with the current seasonally adjusted annual rate some 2.6% above that year's total.

Paperboard output continues to lead the growth pace, reaching a cumulative total in August that was 7.2% over the comparable 1985 figure. Production for export, including both unbleached kraft linerboard and bleached kraft paperboard, continued to post large gains over last year. Preliminary weekly figures for the first two weeks of September indicate that demand for paperboard will continue to be the stronger of the two sectors.

Trends most worthy of note among the individual paper and paperboard grades include those for uncoated freesheet papers up 8.1% over last year's rate; containerboard production for domestic use up some 7% from the comparable 1985 level; and all paperboard production for export, at a rate of 2.8 million tons per year, up 13.4%.

Paper: Total paper production so far this year leads production for the same period last year by 3%. The August 1986 trend level held close to the previous month's record high of over 35.5 million tons per year. This rate compares well with the 1984 record total of 34.4 million tons. The overall trend, however, reflects differing performances among the individual grades.

Continued on Page 2

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Continued from Page 1

Newsprint production has advanced consistently over the performances of previous years, with the eight month 1986 total 2.7% over the comparable year-ago rate. Total newsprint consumption, which had traced a flat trend from the start of 1979 through the middle of 1983, is now at its highest level ever, close to 14 million tons per year. Imports constitute an increasing percentage of this consumption total, moving up another 3 percentage points since the beginning of this year, from 59% to 62%. Consumption by newspaper publishers, which represents nearly three quarters of the total newsprint market, is at a volume comparable with the record levels of 1984.

Tissue paper production is also maintaining a brisk pace. If the rate of production over the last eight months continues, the total for this year will weigh in at 5.1 million tons, 2.6% over last year's total and closer to 3% over the same figure for 1984. Imports of these papers, at 58,000 tons per year, were 1.9% over last year for the January-July period, while exports, at 16,000 tons per year, were down 23.2%.

The major sector of strength for paper, both in terms of tonnage and growth, is in uncoated freesheet papers. Shipments of these papers in the first 8 months of 1986 were at a record-high rate of 10.5 million tons per year, 8.1% above their year-ago level and 13.6% above their 1984 total. The strength in demand for these papers reflects continuing increases in their use in tandem with computer technology, especially among users of personal-sized computers. Demand at commercial printers and business form converters, which accounted for nearly half of the end-use markets for uncoated freesheet papers in 1985, is also strong, remaining at the levels reached at the beginning of 1986. Imports of the grade also remained high in August, with the seven-month total at an annual rate of 440,000 tons.

Demand for domestically-produced coated paper continues its recovery from the 1985 lows. The August 1986 shipments total of 556,000 tons marked a high for the year and, in fact, was second only to the 564,000 tons shipped in January 1985. The August shipments total brought the year-to-date average rate to 6.1 million tons per year, about 1% above the comparable year-ago rate and only 2.5% below the 1984 record high.

These gains reflect rising demand for coated papers in virtually all its major markets. In particular, shipments of coated papers to commercial printers were 5% above their year-ago level in this period, while shipments to magazine publishers, which had lagged last year's rates throughout this year, were just about equal to their comparable 1985 total.

Continued on Page 10

PAPER AND PAPERBOARD STATISTICS

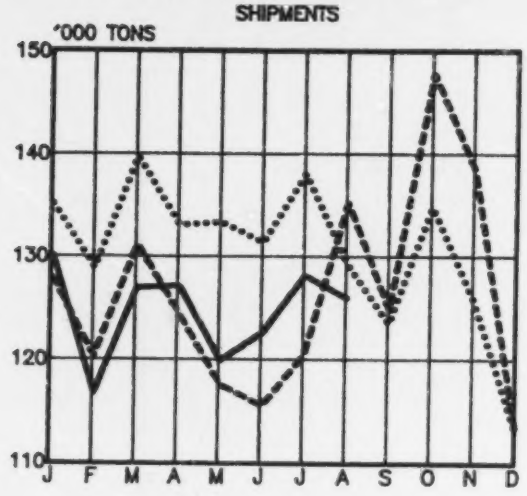
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1984	YEAR 1985	MAY 1986	JUN 1986	JUL 1986	AUG 1986	Annual Rate Y-T-D 1986	% Change From same Period Last Year
PAPER								
Newsprint - Production	5539	5428	492	463	477	486	5632	2.7
- Shipments	5584	5417	489	469	465	472	5537	1.8
Printing & Writing sum	18397	18450	1608	1628	1590	1607	19318	4.3
Groundwood Paper - Shipments	1565	1516	120	123	128	126	1495	0.5
- New Orders	1575	1477	115	139	156	145	1579	9.5
-Unfilled Orders	140	106	99	117	145	169	169	55.7
Coated Papers - Shipments	6249	5875	497	504	484	556	6092	0.6
- New Orders	6281	5642	487	529	553	580	6286	11.1
- Unfilled Orders	575	393	402	424	498	532	532	55.0
Unctd Free Sheet - Shipments	9207	9750	877	877	874	881	10456	8.1
- New Orders	8939	9704	904	875	889	872	10530	10.1
- Unfilled Orders	430	509	570	563	581	557	557	26.7
Thin Papers - Shipments	267	241	19	20	18	15	225	-5.2
Cotton Fiber Paper - Shipments	147	144	13	13	11	13	151	5.9
Bleached Bristols - Production	961	924	83	92	77	87	1003	9.5
Tissue Paper - Production	4921	4941	445	419	395	429	5069	2.6
Total Packaging & Other Paper	5555	5202	435	417	417	422	5134	-1.1
Unbl. Kraft Paper - Shipments	3666	3403	282	274	279	272	3375	-0.5
Other Paper - Production	1889	1799	153	143	138	151	1759	-2.1
TOTAL PAPER-Production-Unadj.	34411	34021	2980	2926	2880	2945	35152	3.0
-Production-S.A.			2925	2953	3019	2916	35128	3.2
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	26403	25404	2360	2307	2256	2398	27299	7.2
Total Unbl. Kraft Paperboard	17185	16368	1529	1508	1439	1575	17635	7.5
Unbl. Kraft Linerboard (1)	16037	15183	1411	1385	1331	1455	16280	7.1
Production for Export	2086	1830	169	181	163	206	2099	15.5
Other Unbl. Kraft Paperboard	1149	1184	119	123	107	119	1356	12.4
Semichemical Paperboard	5169	5088	457	452	441	482	5359	5.5
Production for Export	149	189	13	15	14	26	193	5.7
Solid Bleached Paperboard	4048	3948	373	347	377	342	4304	7.9
Production for Export	478	466	46	43	46	42	513	9.2
Recycled Paperboard	7637	7630	705	671	637	687	8159	7.5
Production for Export	17	26	2	3	2	1	24	-7.8
TOTAL PAPERBOARD-Prod.-Unadj.	34039	33034	3065	2978	2893	3086	35458	7.2
- Containerboard Prod.(Dom. Use)	20993	20042	1862	1810	1773	1888	21420	6.9
- Boxboard Prod.(Dom. Use) (2)	5783	5673	514	485	475	483	5969	4.5
- All Other P'bd Prod.(D.U.) (2)	4531	4808	459	441	420	440	5239	8.8
- Total Paperbd Prod. for Export	2731	2511	230	242	225	275	2830	13.4
TOTAL PAPERBOARD PROD.- S.A.			2903	2931	3020	2987	35111	7.2
TOTAL PAPER AND PAPERBOARD								
Production - actual	68450	67055	6046	5904	5773	6030	70610	5.1
Production - S.A.			5828	5883	6039	5904	70238	5.2

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

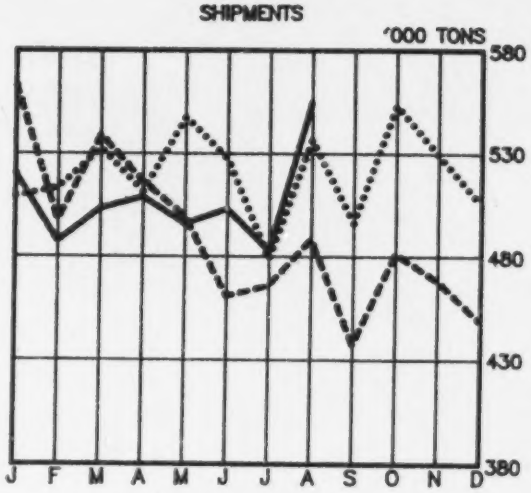
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



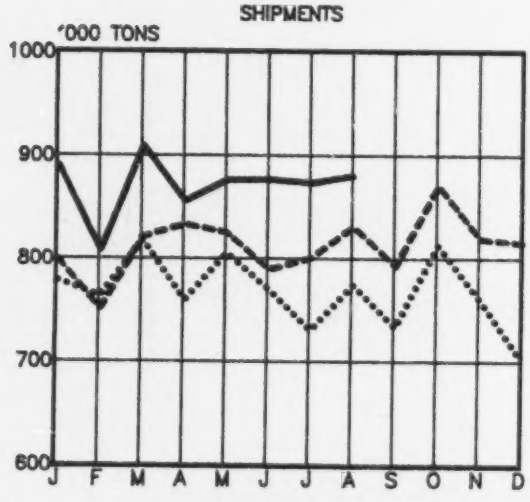
COATED PAPER

SHIPMENTS



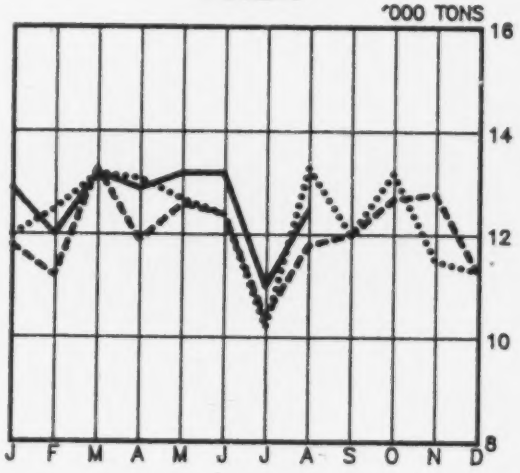
UNCOATED FREE SHEET PAPERS

SHIPMENTS



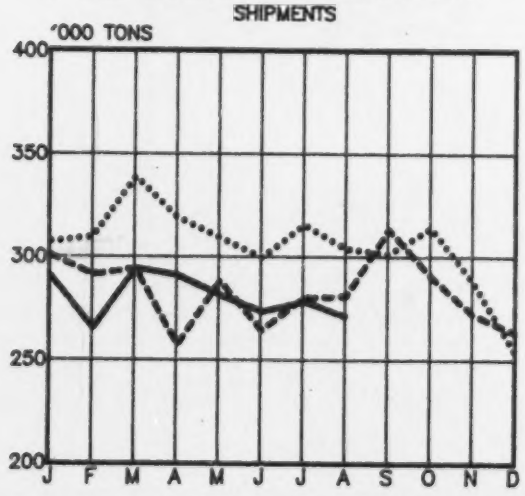
COTTON FIBER PAPER

SHIPMENTS



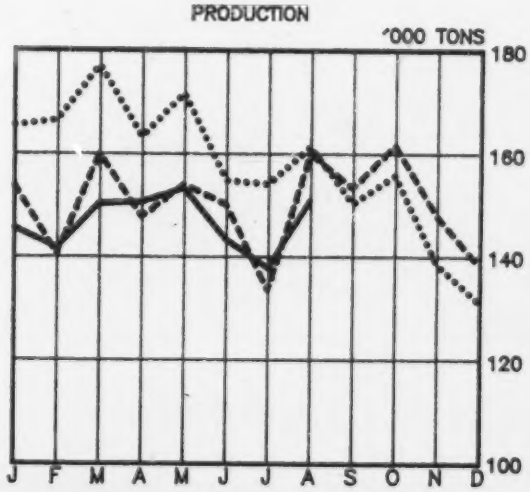
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1984 •••••••• 1985 - - - - - 1986 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1984	YEAR 1985	APR 1986	MAY 1986	JUNE 1986	JULY 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	55470	54170	4763	4771	4842	4726	56911	4.6
- Imports	4490	4466	349	422	370	401	4538	0.1
- Exports	3594	3791	358	365	372	299	4316	11.2
- New Supply	56367	54844	4754	4828	4840	4828	57133	3.8
Dissolving Pulp - Production	1206	1174	97	110	107	103	1246	1.0
- Imports	161	175	22	13	22	20	245	47.5
- Exports	595	631	62	63	54	46	659	-8.1
- New Supply	772	718	58	60	74	77	831	21.8
Paper Grades - Production	44690	43696	3859	3856	3940	3781	46054	5.2
Chemical Pulp - Imports	4023	4104	320	385	343	369	4186	0.9
- Exports	2945	3131	292	299	314	251	3591	14.4
- New Supply	45767	44668	3887	3942	3968	3899	46649	4.2
Groundwood and - Production	5506	5251	459	466	450	474	5492	2.7
Thermo-Mech. - Imports	306	187	7	24	6	12	107	-51.0
- Exports	54	29	4	3	4	2	66	164.9
- New Supply	5758	5409	462	486	452	484	5534	-0.1
Semi-Chemical - Production	4069	4050	347	340	345	368	4119	1.6
- Imports			- - - - Included in Groundwood Pulp				- - - -	
- Exports								
- New Supply	4069	4050	347	340	345	368	4119	1.6
MARKET WOOD PULP								
Total Market - Production	6898	6800	587	623	640	636	7428	7.4
Wood Pulp - Imports	2968	2791	247	281	255	242	3021	8.2
- Exports	3511	3784	355	321	424	314	4385	15.3
- New Supply	6355	5807	479	583	471	565	6064	2.7
Dissolving Pulp - Production	1205	1171	97	109	105	102	1237	0.3
- Imports	204	174	22	10	20	12	203	12.0
- Exports	690	666	66	57	67	52	699	1.2
- New Supply	718	679	52	61	58	63	741	2.4
Paper Grades - Production	5680	5605	491	512	533	533	6182	9.2
Chemical Pulp - Imports	2664	2531	221	253	225	224	2732	7.7
- Exports	2821	3117	289	264	357	262	3687	18.6
- New Supply	5523	5019	422	502	402	495	5227	2.7
Groundwood Pulp - Production	14	24	0	1	2	0	10	-54.0
and All Other - Imports	100	86	4	19	10	6	86	14.0
- Exports	1	1	0	0	0	0	0	0.0
- New Supply	114	109	4	20	11	7	96	1.4

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

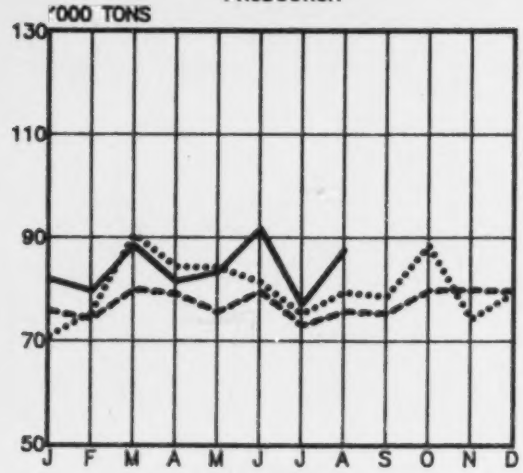
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	70488	68584	5976	6149	6078	5924	72010	5.1
Total Wood Pulp	54562	53297	4619	4706	4694	4604	55463	4.0
Waste Paper	15926	15290	1358	1443	1384	1320	16547	9.0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	164	149	164	171	176	176	-5.2
Producers' Market Inventories	585	486	365	365	304	353	353	-37.4
Consumers' Purchased Inventories	545	492	537	508	568	579	579	24.1
Waste Paper at Paper & Bd. Mills	1053	967	891	844	843	884	884	-12.8
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	42	30	20	21	18	21	21	-40.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

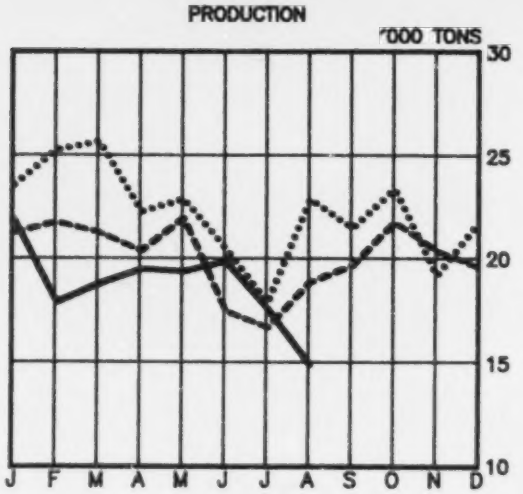
BLEACHED BRISTOLS

PRODUCTION



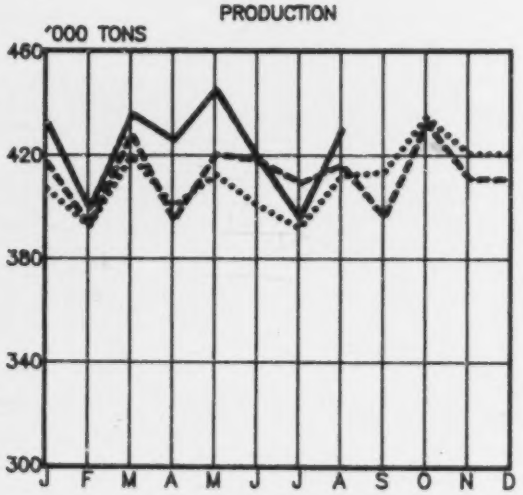
THIN PAPER

PRODUCTION



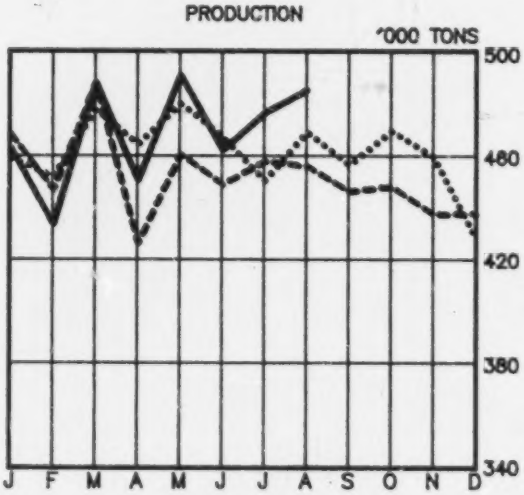
TISSUE PAPER

PRODUCTION



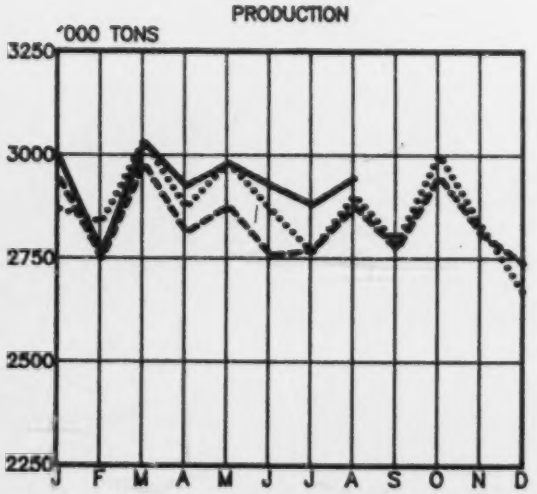
NEWSPRINT

PRODUCTION



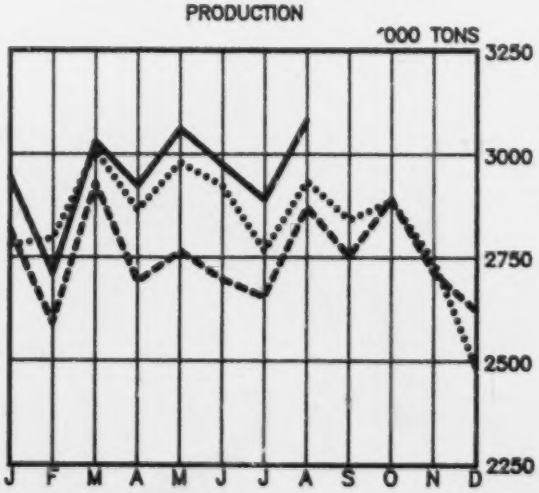
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1984 ••••••••• 1985 - - - - - 1986 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1984	YEAR 1985	APR. 1986	MAY 1986	JUNE 1986	JULY 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	88876	85503	7591	7277	7272	7770	90643	5.9
	- Total Consumpt	87646	85744	7742	7499	7563	7812	91260	6.0
	- Residues *	32072	30447	2974	2864	2748	2576	33077	9.2
	- Inventories	5574	5046	5335	4910	4851	4836	4836	-0.9
So. Atlantic	- Total Receipts	27654	27589	2573	2381	2427	2480	29707	9.1
	- Total Consumpt	27344	27815	2551	2395	2480	2531	29635	7.6
	- Residues *	8198	7970	802	816	779	682	9237	20.1
	- Inventories	1444	1117	1147	1117	1096	1062	1062	-2.2
Northeast	- Total Receipts	7665	7430	520	526	596	598	7176	-3.6
	- Total Consumpt	7474	7394	639	573	615	582	7390	-3.9
	- Residues *	1501	1539	138	118	123	98	1411	-10.8
	- Inventories	590	544	411	360	345	351	351	-14.2
South Central	- Total Receipts	30693	29786	2604	2539	2496	2745	31414	4.6
	- Total Consumpt	30502	29914	2623	2711	2578	2746	31822	5.3
	- Residues *	9059	9207	829	823	778	809	9645	4.2
	- Inventories	1304	1198	1262	1087	992	992	992	-13.6
North Central	- Total Receipts	6872	6430	423	484	522	578	6423	-0.3
	- Total Consumpt	6563	6296	567	567	580	561	6705	5.8
	- Residues *	1472	1290	92	88	78	76	1046	-21.2
	- Inventories	906	884	873	807	762	789	789	-9.4
West	- Total Receipts	15992	14264	1471	1347	1331	1369	15922	10.4
	- Total Consumpt	15763	14325	1362	1253	1310	1392	15708	9.8
	- Residues *	11842	10458	1113	1019	990	911	11739	12.5
	- Inventories	1330	1303	1642	1539	1656	1642	1642	20.1

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 30-Sep-86

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1985 $000's	JUNE Tons	1986 $000's	JUNE Tons	1986 $000's	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	21604	2462	1039	74	2960	183	39770	24.9
Pulpwood chips	788486	21955	74301	1651	28817	749	830710	-4.6
Wood Pulp, Total	4020736	1385871	345483	116247	363842	127244	3907558	-4.7
Waste Fibrous Materials, Total	144564	26371	15581	2733	14962	2764	167201	5.8
Paper, Board & Products, Total	9734523	4306694	765448	332666	961130	429424	9939163	2.3
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9640776	4164985	756289	317759	951025	412837	9822219	2.0
Paper, Paperboard & Products	9380235	4215314	745985	326795	938381	422606	9686597	4.0
Paper & Paperboard, Only	9286488	4073606	736827	311888	928276	406019	9569653	3.7
Paper, Total	9132128	4030872	723208	308192	905720	398966	9351826	3.0
Newsprint	8117986	3496944	647303	270394	801094	344309	8338349	2.6
Printing, Writing & Rel. Pap.	841500	435561	56479	28448	81539	42624	801273	1.5
Pack. & Ind. Conv. Paper	124100	64640	16539	7270	17706	8069	172401	53.7
Special Industrial Paper	3463	5393	293	492	491	829	4428	40.6
Tissue Paper	45081	28334	2594	1587	4889	3136	35375	-28.8
Paperboard, Total	154360	42734	13619	3696	22556	7053	217827	43.5
Convtd Paper&Paperbd Products	93747	141708	9158	14907	10104	16587	115944	43.5
Wet Machine Board	2184	1481	196	130	183	116	2290	7.9
Construction Paper & Board	352104	89898	19266	5741	22566	6701	250276	-37.5

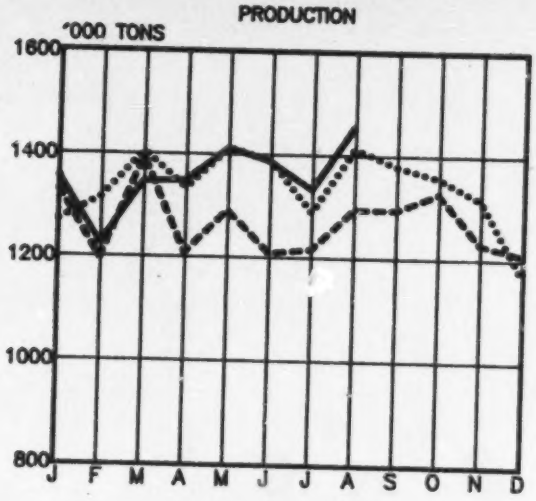
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	49611	2925	4742	286	3774	238	42063	7.2
Pulpwood chips	82626	4780	3385	247	11981	560	74350	-11.3
Wood Pulp, Total	203934	79541	22264	6369	20325	5879	267645	32.9
Cotton Pulp & Other Pulp	15083	6252	2519	701	2453	921	26285	157.8
Waste Paper	209087	23249	17029	1845	23606	2585	195093	-14.7
Paper, Board & Products, Total	736140	485290	74806	36578	83357	33513	920287	26.4
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	579768	333614	63896	26252	71673	21980	772468	37.6
Paper, Paperboard & Products	710785	473839	72159	35700	82040	32820	893785	27.0
Paper & Paperboard, Only	554413	322162	61249	25374	70356	21288	745966	39.0
Paper, Total	271754	223971	20824	16640	23055	14187	296929	3.3
Newsprint	3757	3276	524	464	386	359	3907	26.7
Printing, Writing & Rel. Pap.	133800	118625	10882	8362	9690	7249	123324	-16.2
Pack. & Ind. Conv. Paper	41327	23536	1751	1156	1193	860	26104	-43.7
Special Industrial Paper	90071	74893	7384	6154	11443	5141	140655	59.6
Tissue Paper	2799	3641	284	504	343	578	2940	7.3
Paperboard, Total	282658	98191	40425	8734	47301	7101	449036	80.1
Convtd Paper&Paperbd Products	156372	151676	10910	10325	11684	11533	147819	-11.5
Wet Machine Board	5786	4243	1501	445	362	269	9938	84.5
Construction Paper & Board	19570	7209	1146	433	955	423	16563	-13.3

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 30-Sep-86

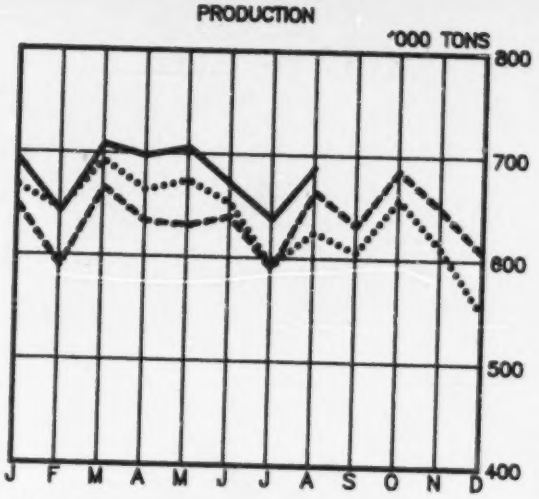
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



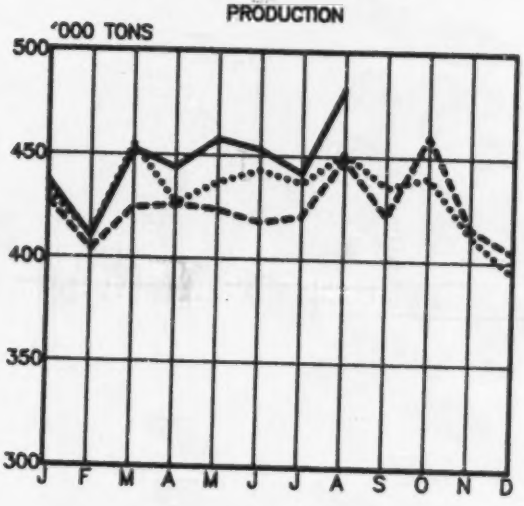
RECYCLED PAPERBOARD

PRODUCTION



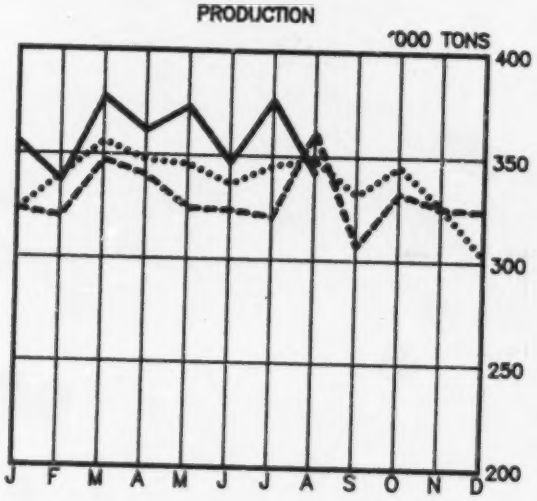
SEMICHEMICAL PAPERBOARD

PRODUCTION



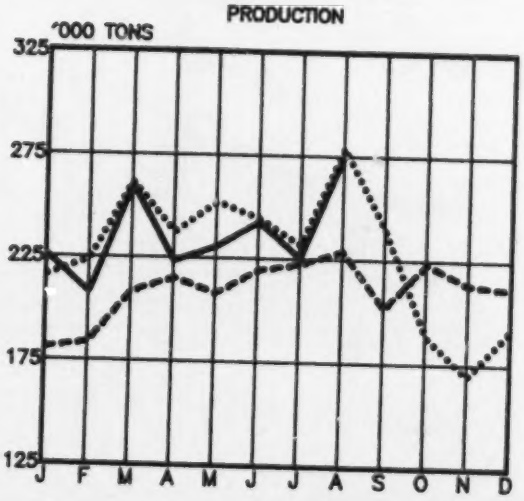
SOLID BLEACHED PAPERBOARD

PRODUCTION



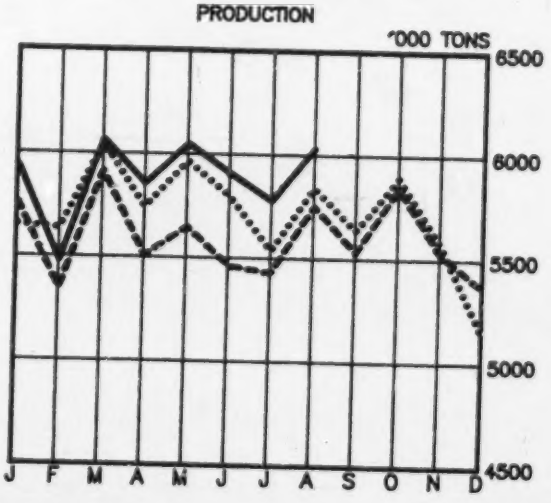
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1984 ••••••• 1985 - - - - - 1986 ———

I M P O R T S

	YEAR 1985		1986 JUNE		1986 JULY		(1) Annual Rate	% Change from same
	Tons	$000	Tons	$000	Tons	$000	Y-T-D 1986	Period Last Year
Pulpwood Roundwood (cords)	31755	2606	1039	74	2960	183	41655	-15.4
Pulpwood Chips	789382	22006	74340	1660	28836	752	832985	-4.5
Total All Imports	16156209	7255817	1317755	590363	1556047	722034	16593043	2.1
Wood Pulp Total	4465746	1520907	370463	124962	401313	140114	4538361	0.1
Waste Paper	87413	10160	8222	984	7874	882	97574	21.6
Other Fibrous Materials	81430	26949	15280	2852	8267	2737	132948	35.1
Paper Board & Products Total	11521619	5697802	923790	461565	1138593	578300	11824161	2.5
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11238094	5074482	892816	397365	1103668	504616	11461173	1.7
Paper Ppbd & Prds ex Cnst&WMB	11105154	5586077	897063	452347	1108182	568352	11485537	3.7
Paper & Paperboard Only	10821629	4962757	866089	388147	1073257	494667	11122549	2.9
Paper Total	10637428	4906882	848650	382622	1048475	485723	10863756	2.2
Newsprint	8496568	3638716	678137	282584	822825	353051	8655653	2.2
Printing & Writing	1912867	1116225	147196	86121	198195	116000	1917881	-1.4
Uncoated Groundwood	1027211	530619	68852	34134	102420	51744	948981	-8.6
Coated Print.& Impreg. Pap.	496072	363855	47448	33739	48660	36259	481687	-10.8
Uncoated Free Sheet	364848	198432	26893	15607	44304	25565	443296	30.7
Uncoated Book	200927	106586	12919	7636	22442	13195	226245	22.5
Writing and Similar Paper	163921	91846	13974	7970	21862	12371	217051	40.5
Thin (except Cigarette)	23712	22276	3960	2589	2717	2355	43288	69.3
Bristols	1024	1043	42	52	95	77	628	-45.2
Total Pkg & Other Paper	172003	116390	19709	11522	22204	13090	231312	42.7
Unbleached Kraft Paper	63604	23976	10902	4070	11294	4206	103905	116.2
Other Pkg. & Indust. Paper	108398	92414	8808	7452	10910	8884	127407	11.8
Tissue	55991	35551	3608	2395	5251	3581	58910	1.9
Paperboard, Total	184201	55875	17439	5525	24782	8945	258792	44.6
Test or Containerboard	50975	16848	5068	1653	7043	2324	71924	42.4
Semi-Chemical Corrugating	65203	13706	6000	1242	11099	3313	96242	52.8
Other Paperboard	68023	25321	6371	2629	6640	3308	90626	38.4
Convtd Paper&Paperbd Products	283525	623320	30975	64200	34925	73684	362988	39.6
Paper Products, Total	258934	572316	28319	58473	32089	67929	334163	41.8
Paperboard Products, Total	24592	51004	2656	5727	2836	5755	28824	18.4
Wet machine Board	3270	2585	244	236	240	178	3419	5.9
Construction Paper & Board	413196	109140	26483	8982	30171	9770	335206	-26.8
Notes								
Other: No Weight Avail. ($000)		228219		18055		22271	205418	-4.5
Total Imports Incl. Other($000)		7484036		608418		744305	7680149	2.0

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	51765	3037	5336	313	3774	238	47205	18.3
Pulpwood Chips	2116137	168814	111715	8407	205047	15103	2139967	-5.8
Total All Exports	11261281	4042068	1075527	382548	1051826	364271	12977999	14.8
Wood Pulp,Total	3791102	1352708	372043	140262	299457	113796	4316093	11.2
Cotton Pulp and Other Pulp	107224	71802	8929	4482	9779	5043	168182	76.4
Waste and Old Paper	3285926	349258	309857	33756	310006	33501	3695167	12.0
Paper, Board & Products,Total	4077029	2268300	384698	204048	432584	211931	4798558	19.1
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3586119	1588157	342077	147582	393747	157915	4295848	22.3
Paper, Ppbd & Prod ex Cnst&WMB	4008221	2228594	376965	200168	425892	208047	4705778	18.8
Paper & Paperboard, Only	3517311	1548451	334344	143702	387055	154031	4203068	21.9
Paper, Total	779000	594338	66255	53108	83248	52229	863891	9.2
Newsprint	314385	131379	26919	14877	45735	21287	347963	10.1
Printing & Writing	202826	201845	17524	15685	14009	12996	195563	-4.2
Uncoated Groundwood	36779	31727	3654	2483	2828	1989	45737	26.4
Clay Coated Paper	82461	65710	7008	5122	5896	3812	80951	6.3
Uncoated Free Sheet	64573	77929	4783	6164	3577	5224	49843	-29.1
Other Printing & Writing	19013	26479	2080	1917	1707	1970	19032	-11.2
Total Pkg. & Other Paper	243671	242909	20259	20580	22289	16177	304658	21.7
Unbleached Kraft	67695	29931	6368	2500	4982	1968	77528	5.7
Other Pkg. & Indust. Paper	175976	212978	13891	18080	17306	14209	227130	28.3
Tissue	18118	18205	1553	1966	1216	1769	15706	-23.2
Paperboard, Total	2738310	954113	268089	90595	303807	101802	3339177	25.7
Solid Wood Pulp	2492746	872281	237477	85273	261827	96150	2965939	21.3
Total Linerboard	1807151	480909	173167	50539	195282	58877	2169530	25.6
Bleached Kraft Linerboard	130359	45687	13431	5447	13107	5468	154811	29.6
Unbleached Kraft Linerbd	1676791	435222	159736	45093	182175	53409	2014718	25.3
Other Unbleached Kraft	100651	41053	13292	4750	15548	5621	158571	36.8
Other Bleached Kraft	523091	335026	45063	28358	46156	30286	568472	3.8
Semi-Chemical Corrugating	61853	15293	5955	1626	4841	1366	69367	28.0
Recycled Paperboard	245564	81833	30613	5321	41980	5652	373238	76.6
Convtd Paper&Paperbd Products	490910	680143	42621	56465	38837	54015	502710	-2.2
Paper Products, Total	237191	464174	17128	36655	17794	34996	224721	-12.0
Paperboard Products, Total	253719	215970	25494	19810	21044	19020	277989	7.6
Wet Machine Board	13380	6930	2227	691	985	502	19287	49.3
Construction Paper & Board E	55429	32776	5506	3190	5707	3382	73493	37.9
Notes								
Other: No Weight Avail. ($000)		6618		839		555	8107	23.0
Total Exports Incl. Other($000)		4048687		383386		364826	4463196	7.2

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1984	1985	MAY 1986	JUNE 1986	JULY 1986	AUGUST 1986	Annual Rate Y-T-D 1986	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.9	292.2	291.3	292.1	293.7	295.8	291.0	-1.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	293.8	294.6	293.7	294.2	295.4	297.4	293.2	-1.1
Total Wood Pulp	395.0	347.2	345.1	357.5	367.7	365.9	345.8	-2.1
Total Paper	303.2	303.6	304.3	304.5	305.6	307.5	303.7	-0.3
Total Paper, exc. Newsprint	301.2	298.8	298.9	298.8	299.2	302.5	297.9	-0.7
Newsprint	324.1	332.9	324.1	323.1	323.6	322.2	323.8	-2.9
Total Paperboard	280.6	275.5	266.3	268.6	270.5	274.1	267.4	-4.7
Total Paper and Paperboard *	296.1	294.8	292.4	293.2	294.6	297.0	292.3	-1.6
Converted Products	280.7	288.1	288.4	287.8	288.2	290.3	287.5	-0.6
Waste Paper	240.1	148.8	149.1	168.3	195.0	200.3	158.1	-0.9
All Commodities	310.4	308.9	299.2	298.9	297.7	297.2	300.6	-2.7
Industrial Commodities	322.6	324.0	311.7	311.6	308.5	307.7	313.5	-3.2

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Continued from Page 2

Shipments of domestically-produced groundwood papers, which had been consistently below year-ago levels throughout this year, have recovered to the point where the current year-to-date total is slightly above the corresponding eight-month 1985 total. The largest market for these papers is periodicals other than magazines, and shipments to these markets were above their year-ago totals in the January-August 1986 period.

Imports of groundwood papers, as reported by the API's Printing-Writing Division were about 5% over their year-ago level in the first seven months of 1986, accounting for about 45% of the total new supply (production plus imports minus exports).

The packaging and industrial grades of paper, by way of contrast, were down 1.1%, reflecting continued declines in the demand for multiwall sack papers, wrapping papers and bag and sack papers other than grocers.

Paperboard: Production of most grades of paperboard has continued strong since the July holiday shutdowns.

Production of containerboard for domestic use in August, for example, moved above the 1.8 million tons per month level, marking the third month this year that this record-breaking level was exceeded. The year-to-date rate was 21.4 million tons per year, 7% over its year-ago level. This strength is consistent with the pattern of shipments of fibre boxes, which also is sustaining its strong performance and is now running at 285 billion sq. ft. per year, 5.5% over its year-ago rate. There was a small decrease in inventories at box plants during August, bringing them to the lowest

Continued on Page 11

Continued from Page 10

level of the year. Mill inventories also remained low, with the Sept. 1, 1986 level some 62% below that of a year ago.

Production of unbleached kraft linerboard -- the largest component of containerboard -- is also at record high levels. The August 1986 total of 1,455,000 tons represents the highest monthly total ever reached. This record-high rate reflected not only strong domestic demand, but also a resurgence in export demand. Production of kraft linerboard for export in August, at 206,000 tons, brought the year-to-date rate to 2.1 million tons per year, a healthy 15.5% above the comparable year-ago figure.

The production of boxboard for domestic use showed a similar pattern. The August 1986 level of 483,000 tons matched the June pre-holiday shutdown level and brought the rate to 6.0 million tons per year, which exceeds the 1985 total by more than 5% and the 1984 total by 3.2%.

Total production of paperboard for export appears to be responding nicely to the drop in the value of the dollar on international currency markets. At an annual rate of 2.83 million tons, this figure is 13.4% over its year ago level for the January-August period. Production for export of all the major grades of paperboard showed similar activity except recycled paperboard, which was down 7.8% from a year ago. Production of solid bleached and semichemical paperboard for export was up 9.2% and 5.7%, respectively.

FIBROUS RAW MATERIALS

Consistent with the trend in total paper and paperboard production, paper grade wood pulp production in the first seven months of 1986 ran 5.2% ahead of its year-ago rate. Total wood pulp production, at 56.9 million tons per year, maintained a record-high rate, equivalent to 97% of the reported capacity total.

Use of waste paper at paper and paperboard mills was also at a record-high rate, at an average of 17 million tons per year for the January-July 1986 period, 9.0% above its year-ago level. The table at the bottom of page 5 shows that waste paper accounted for 23% of total fibrous materials consumed in the first seven months of 1986, compared to 22.6% for all of 1985.

Demand for paper grade chemical market pulp was considerably stronger than the total demand. Data available for August 1986 show shipments of these grades of wood pulp up 7% from its year-ago level, bringing the 1986 year-to-date total 10.3% over the total for 1985.

Continued on Page 12

Continued from Page 11

Production of these pulps was also strong, up 9%. Shipments were augmented by 120,000 tons per year coming from producers' inventories. At 6.2 million tons per year, the production rate was equivalent to 94% of the capacity total reported in the API's October 1985 capacity survey.

The strong gain in shipments reflected strength in all the major markets. Among the smallest gain, however, was shipments to the domestic markets. These shipments, which accounted for 42% of the market pulp total, were only 4% above their year-ago total even though production of printing and tissue papers -- the major markets for these pulps -- were at record-high rates.

Export shipments, on the other hand, were 18% above their year-ago total in the first eight months of 1986. The major gain was a 33% increase in shipments to Japan, bringing Japan's share of the total up from 18% in the 1985 period to 20.% in the comparable 1986 period. Exports to the U.K. and Western Europe rose by 20%, while exports to the rest of the world gained 9%.

SALES AND EARNINGS

Recently published data by the Department of Commerce show that the sales and earnings totals for all paper and allied products companies in the second quarter followed the strong growth pattern reported in our earlier report on those paper companies that publish such data. Second quarter 1986 net sales for all companies, as shown in the Fact Sheet accompanying this report, amounted to $18.5 billion, 5% above the first quarter level and 1.6% above the high reached in the second quarter of 1985.

The strength evident in the markets for the paper and allied products in the second quarter of 1986 was reflected in the profit figures reported by these companies. Pre-tax profits, at an annual rate of $5.76 billion, were 52% above the first quarter 1985 total and 6.4% above their year-ago rate. After taxes, the reported profits rose 57% from the first quarter 1986 total and 5.7% over their year-earlier level.

The annualized second quarter 1986 after-tax rate was equivalent to 12% of stockholders' equity for these companies, a rate consistent with the average shown for the entire 1975-1981 period. Similarly, the 5% after-tax margin on sales in this period equalled the average margin realized in this earlier period.

SEPTEMBER 31, 1986

	Full Year		INDUSTRY DATA 1985 - 1986			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			R	R	P		
PAPER AND PAPERBOARD — Tons (000)	1984	1985	June	July	August	1986	
Total Production (API).....: excluding :...	68450	67056	5904	5773	6030	70610	5.1
Total Seasonally Adjusted....:construction:...			5883	6039	5904	70238	5.2
Imports (including Products).: and wet :..E	10576	11106	897	1108	N.A.	11550	5.0
Exports (including Products).: machine :..E	4309	4009	377	426	N.A.	4718	17.9
Apparent Consumption.....: grades :...	74717 a	74153 b	6404	6721	6504	77071 c	4.4
Paper Production % Tonnage Capacity.....	92.7 g	90.5 g	91.7	86.8	88.7	91.8 gh	-
Paperboard Production % Tonnage Capacity.....	94.6 g	89.9 g	95.2	89.0	95.1	93.8 g	-
			May	June	July		
IMPORTS.....:Including Construction and :...	11075	11521	1029	924	1139	11824	2.5
EXPORTS.....: WMB Grades (excl. HPB) :...	4387	4077	415	385	433	4799	19.2
			May	June	July		
MARKET WOOD PULP PRODUCTION - Tons (000).....	6897	6800	623	640	636	7428	7.4
TOTAL WOOD PULP PRODUCTION - Tons (000).....	55470	54170	4771	4842	4726	56912	4.6
WOOD PULP IMPORTS - TONS (000).....	4490	4466	422	370	401	4536	0.1
WOOD PULP EXPORTS - TONS (000).....	3594	3791	365	372	299	4315	11.2
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			May	June	July		
Wood Pulp.....:consumption for:.....	54562	53297	4706	4694	4604	55465	4.0
Waste Paper.....:construction & :.....	15926	15290	1443	1384	1320	16547	9.0
TOTAL.....: WMB grades :.....	70488	68584	6149	6078	5924	72012	5.1
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	87646	85744	7499	7563	7812	91260	6.0
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products.....Total.....	682.3	683.3	696.8	690.1	690.0	687.5	0.8
Pulp, Paper and Board Mills.....Total.....E	263.9	257.7	256.7	252.6	250.0	253.3	-2.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	10.44	10.82	11.12	11.14	11.31	11.10	3.3
Pulp, Paper Mills.....E	12.45	13.11	13.53	13.53	13.82	13.51	4.1
Paperboard Mills.....E	12.99	13.60	13.97	14.00	14.21	13.95	3.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1985 Q4	1986 Q1	1986 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	7.21	8.59	9.56	8.67	9.02	8.87y	3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			June	July	August		
:IN PULP, PAPER :...Production Workers.....	125.5	125.1	129.8	137.3	136.5	132.2	5.9
:AND BOARD MILLS:...All Employees.....	123.9	124.1	130.7	137.7	136.9	133.0	7.7
PAPER AND ALLIED PRODUCTS (Million $)			June	July	August		
Industry Shipments (Dept. of Commerce)*.....	95990	97664	9125	9317	9337	107003	10.0
Pulp, Paper and Paperboard*.....	41539	41830	3836	4025	3913	45146	8.1
Inventories (End of Period) - Total Industry*..	9701	9728	9825	10029	10107	10107	4.6
Pulp, Paper and Paperboard*.....	3662	3800	3882	3931	3882	3882	3.5
			1985 Q4	1986 Q1	1986 Q2		
Sales (Corporations Only).....	71891	71465	17694	17575	18470	72090	0.4
Earnings (Corporations Only).....	3015	2880	695	589	922	3022	-4.8
Depreciation (Corporations Only).....	2798	3099	775	820	844	3328	9.3
Net Worth (Corporations Only).....	28160	29694	29780	30033	30646	30646	3.1
PRICE INDEXES (Bureau of Labor Stats)1967=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	292.9	292.2	292.1	293.7	295.8	291.0	-1.1
Wood Pulp.....	395.0	347.2	357.5	367.7	365.9	345.8	-2.1
Waste Paper.....	240.1	148.8	168.3	195.0	200.3	158.1	-0.9
Paper.....	303.2	303.6	304.5	305.6	307.5	303.7	-0.3
Paperboard.....	280.6	275.5	268.6	270.5	274.1	267.4	-4.7
PAPER DEMAND (INDEXED: 1977=100)							
Total Paper Production *.....	124.0	122.9	June 127.9	July 130.8	August 126.3	126.8	3.2
Paper New Supply *.....	127.6	128.7	131.7	140.6	134.4	132.7	3.4
Demand Indicators - (Weighted Average) *.....	136.7	141.6	148.8	150.0	150.6	147.7	4.7
Production of Nondurable Goods *...(21.2%).	122.5	125.3	130.6	134.4	132.1	129.9	4.2
Disposable Income .....*.(23.9%)	124.0	126.8	132.0	132.2	132.5	131.5	3.9
Total Printing and Publishing *...(54.9%).	147.8	154.3	163.2	165.0	165.7	161.6	5.1
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	117.3	114.3	121.5	125.2	123.8	121.3	7.2
Production for Domestic Use	115.2	112.8	119.0	123.7	120.0	119.0	6.7
Demand Indicators - (Weighted Average) *.....	118.3	120.1	121.6	122.0	122.2	121.8	1.7
Production of Consumer Goods *...(62.06%)	118.2	120.5	124.2	124.8	125.1	124.0	3.5
Production of Equipment *...(5.75%)	140.5	146.4	139.7	140.8	141.6	142.6	-2.6
Production of Materials *...(32.19%)	114.6	114.5	113.3	113.3	113.1	113.8	-0.8
Trend Factor				Not Available			
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).....	12602	12773	1140.9	1094.6	1050.5	12819	3.6
Newspaper Pub. and Printing Empl. Total(000)...	443.0	453.6	461.0	461.0	461.0	789	2.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	157798	154213	13994	12700	9688	145891	-0.5
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	31876	34635	3112	3184	3140	37586	10.8
Inventories (End of Period).	2724	3155	3117	3158	3114	3114	6.2
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).....	267549	267451	23436	23891	23726	282461	5.5
Container'bd Inventory at Mill & Plant(000Tons).	2882	2549	2320	2389	2319	2319	-13.9
RETAIL TRADE (Million $)			May	June	July		
Total Retail Sales *.....	1291835	1378161	118675	118960	119258	1415201	4.1
Nondurable Goods Stores Sales *.....	841417	866541	73121	73364	73375	878789	2.4
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	121.8	124.2	June 124.2	July 124.6	August 124.8	124.7	0.5
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100)..	310.4	308.8	298.9	297.7	297.2	300.6	-2.7
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	311.1	322.2	327.9	328.0	328.6	327.3	2.2
			June	July	August		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	461.0	513.0	566.1	572.9	579.6	579.6	14.0
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1985 Q4	1986 Q1	1986 Q2		
G.N.P. or Expenditure - Current $.....	3765.0	3998.1	4087.7	4149.2	4179.8	4164.5	5.8
G.N.P. or Expenditure - 1982 $.....	3489.9	3585.2	3622.3	3655.9	3661.5	3658.7	2.9

lb/capita

Pap&Papbd	Othr	Totl	Popul(mil)
.a - 631	+ 19	= 650	237.0
.b - 620	+ 18	= 638	239.3
.c - 638	+ 17	= 655	241.5

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs
g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data: standard dev. = 6-8%
N.A. - Not Available
Q - Quarter

R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

September 29, 1986

PRODUCTION (000 TONS)

	Aug. 86	July 86	Aug. 85	Jan. - Aug. 86	Jan. - Aug. 85	% Change 86/85
PAPER GRADES						
Newsprint	486	477	456	3754	3656	2.7
Printing & Writing	1607	1590	1562	12879	12345	4.3
Uncoated Groundwood (s)	126	128	135	997	992	0.5
Coated Paper (s)	556	484	489	4061	4037	0.6
Uncoated Free Sheet Paper (s)	881	874	831	6971	6451	8.1
Thin Paper (s)	15	18	19	150	160	-6.2
Cotton Fiber Paper (s)	13	11	12	101	95	5.9
Bleached Bristols (s)	87	77	75	669	611	9.5
Tissue Paper	429	395	416	3379	3293	2.6
Total Pkg & Other Paper	422	417	441	3423	3459	-1.1
Unbleached Kraft Packaging & Indl. Converting (s)	272	279	282	2250	2261	-0.5
Other Paper *	151	138	160	1173	1198	-2.1
TOTAL PAPER	2945	2880	2875	23435	22754	3.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1575	1439	1402	11757	10934	7.5
Unbleached Kraft Linerboard	1455	1331	1293	10853	10130	7.1
Other Unbl. Kraft Paperboard	119	107	109	904	804	12.4
Semichemical Paperboard	482	441	448	3573	3388	5.5
Bleached Paperboard	342	377	362	2869	2660	7.9
Recycled Paperboard	687	637	664	5439	5059	7.5
TOTAL PAPERBOARD	3086	2893	2876	23639	22041	7.2
TOTAL PAPER AND PAPERBOARD	6030	5773	5751	47073	44795	5.1

WOOD PULP (ALL GRADES)	July 86	June 86	July 85	Jan. - July 86	Jan. - July 85	% Change 85/84
Dissolving & Special Alpha	103	107	87	727	720	1.0
Bleached Sulfite	115	115	109	810	796	1.7
Unbleached Sulfite	12	15	15	98	118	-17.1
Bleached & Semi-Bl. Sulfate	1961	2037	1906	13926	13296	4.7
Unbleached Sulfate	1694	1773	1595	12031	11329	6.2
Semichemical	368	345	332	2403	2364	1.6
Groundwood & Thermomechanical	474	450	447	3204	3118	2.7
TOTAL PULP DIVISION DATA	4726	4842	4492	33198	31741	4.6

(s) - Shipments
P - Preliminary
R - Revised